



EUROPEAN COMMISSION
DG Competition

*Case M.9121 -
MICHELIN / CAMSO*

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 10/12/2018

*In electronic form on the EUR-Lex website under document
number 32018M9121*



Brussels, 10.12.2018
C(2018) 8749 final

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

To the notifying party

**Subject: Case M.9121 - MICHELIN / CAMSO
Commission decision pursuant to Article 6(1)(b) of Council
Regulation No 139/2004¹ and Article 57 of the Agreement on the
European Economic Area²**

Dear Sir or Madam,

- (1) On 5 November 2018, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which the undertaking Canada Inc., a special purpose vehicle that has been incorporated in Canada and ultimately controlled by Compagnie Générale des Etablissements Michelin, together with its subsidiaries ("Michelin") acquires, within the meaning of Article 3(1)(b) of the Merger Regulation, sole control over Camso Inc. ("Camso") by way of a purchase of shares ("the Transaction").³ Hereafter Michelin is referred to as "the Notifying Party". Michelin and Camso are collectively referred to as the "Parties".

1. THE PARTIES

- (2) **Michelin** is a manufacturer and distributor of tyres for cars, vans, trucks, buses, two-wheel non-motorised vehicles, two-wheel motorised vehicles, aircraft,

¹ OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

² OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').

³ Publication in the Official Journal of the European Union No C 410, 13.11.2018, p. 6.

subway trains and tramways, as well as tyres for industrial and agricultural vehicles. Michelin group is also active on the conveyor market.

- (3) **Camso** is a Canadian manufacturer and distributor of pneumatic, airless and solid tyres, tracks, conversion track systems and OEM undercarriages, serving the industrial, agricultural and power-sport sectors. Camso operates on a global basis.

2. THE OPERATION AND THE CONCENTRATION

- (4) The Parties signed a Share Purchase Agreement on 12 July 2018, pursuant to which the current shareholders of Camso agree to sell all of the issued and outstanding equity of Camso to Michelin. Therefore, Camso will be solely controlled by Michelin pursuant to Article 3(1)(b) of the Merger Regulation.

3. EU DIMENSION

- (5) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 2 500 million (Michelin: EUR 21 960 million; Camso: EUR 830 million).⁴ In each of at least three Member States, the undertakings have a combined aggregate turnover of more than EUR 100 million ([...]) and in each of at least three of these Member States, each of the undertakings has an aggregate turnover of more than EUR 25 million ([...]). Finally, each of the undertakings has an EU-wide turnover in excess of EUR 100 million (Michelin: EUR [...]; Camso: EUR [...]). The notified operation therefore has a Union dimension within the meaning of Article 1(3) of the Merger Regulation

4. MARKET DEFINITION

- (6) Michelin's and Camso's activities horizontally overlap in the manufacture and supply of tyres for industrial vehicles (hereafter "*industrial tyres*").⁵
- (7) There is also a vertical link between the Parties' activities in the manufacture and supply of industrial tyres (upstream market) and Michelin's presence in the distribution of tyres, through its own integrated distributor, Euromaster (downstream market).

4.1. Product market definition

4.1.1. Supply of industrial tyres

- (8) In its previous decisional practice, the Commission has considered that the industrial tyre market can be segmented along several dimensions.
- (9) First, the Commission has typically distinguished between: (i) the sale of tyres to Original Equipment Manufacturers ("OEM") and (ii) the sale of replacement tyres ("RT").⁶

⁴ Turnover calculated in accordance with Article 5 of the Merger Regulation and the Commission Consolidated Jurisdictional Notice (OJ C 95, 16.4.2008, p. 1).

⁵ Camso also produces tracks but Michelin does not manufacture tracks. On the other hand, Michelin manufactures tyres for agricultural vehicles as well as retreaded tyres but Camso is not active in these areas.

- (10) Second, the Commission has also considered⁷ a possible segmentation on the basis of the composition and the construction technology. Considering the tyres' composition, a distinction can be made between solid and pneumatic tyres. Pneumatic tyres can be further distinguished between bias and radial tyres, according to the construction technology. In bias tyres, the cord plies overlap each other diagonally whereas radial tyres are tyres for which the cord plies run like strings through the layers of rubber to give the rubber stability, and are aligned such that they run at 90 degrees to the direction of travel.
- (11) Finally, the Commission has considered whether it would be appropriate to separate markets on the basis of the industrial vehicle on which the tyres are fitted, in particular, whether a distinction between forklifts and earthmoving vehicles and, within earthmoving vehicles, between loaders, graders, articulated dump trucks, rigid dump trucks and cranes is warranted.⁸ However, the market definition was ultimately left open.
- (12) The Notifying Party submits that, in addition to tyres for forklifts and earthmoving vehicles, the Parties manufacture a range of tyres that can be fitted on compact equipment ("CE") vehicles⁹, and that these tyres are specifically designed for CE vehicles. Tyres for CE vehicles tend to differ in technology, size and weight from tyres designed for use in other types of vehicles and therefore would not fit under either of the categories previously considered by the Commission (forklifts or earthmoving vehicles).
- (13) The Commission's investigation supports the view that, in general, tyres designed for different vehicle categories (forklifts, earthmoving and CE vehicles) are not interchangeable due to different requirements in terms of size, durability, cut and heat resistance, traction, load index, etc.¹⁰ However, the extent to which tyres designed for a given vehicle category can be interchangeably used for all vehicles falling under the category is less clear. Some customers indicated that tyres designed for a category can be fitted on all vehicles belonging to that category while others noted that even within categories, vehicles may have different tyre requirements and this limits the substitutability between tyres designed for different vehicles.¹¹
- (14) The Commission considers that the product market definition can be left open as the Transaction would not raise competition concerns under any plausible market segmentation.

⁶ Case COMP/M.7864 – *Trelleborg / CGS Holding* (2016), paragraph 10; Case COMP/M.7911 – *CNCE / KM Group* (2016), paragraph 25; Case COMP/M.7643 – *CNRC / Pirelli* (2015), paragraph 23; Case COMP/M.3081 – *Michelin / Viborg* (2003), paragraphs 8-9.

⁷ Case COMP/M.7864 – *Trelleborg / CGS Holding* (2016), paragraphs 24-28.

⁸ Case COMP/M.7864 – *Trelleborg / CGS Holding* (2016), paragraphs 19-23.

⁹ This vehicle category includes: backhoe, telehandler, skidsteer, wheeled excavator, mini dumper, compact wheel loader, rough terrain lift truck and mixer.

¹⁰ Customers' questionnaire, Q3 and Competitors' questionnaire, Q3.

¹¹ Customers' questionnaire, Q4 and Competitors' questionnaire, Q4.

4.1.2. *Distribution of industrial replacement tyres*

- (15) In previous cases,¹² the Commission has considered that a separate market for the distribution/wholesale supply of replacement tyres exists. However, the Commission has also noted that tyre manufacturers often supply the repair and maintenance service providers directly, in competition with the wholesalers/distributors, and that therefore a single market including both wholesalers and direct supplies by manufacturers may be defined. The exact scope of the relevant market was ultimately left open.
- (16) The market definition can be left open also for the purpose of this case as the Transaction does not raise competition concerns under either of the two possible market segmentations.

4.2. **Geographic market definition**

- (17) In past decisions, the Commission has considered that the market for OEM tyres is at least EEA-wide¹³ whilst the market for RT tyres supplied by manufacturers is generally national.¹⁴
- (18) In its decisional practice, the Commission has considered the market for the distribution of replacement tyres by wholesalers to be national in scope.¹⁵
- (19) The Notifying Party does not contest the geographic market definitions adopted by the Commission in previous cases and therefore these definitions are retained for the purpose of this investigation.

5. **COMPETITIVE ASSESSMENT**

5.1. **Horizontal overlap**

- (20) The Parties' activities overlap in the following markets:
- (a) Radial industrial tyres (and within this category, they only overlap in the supply of tyres for earthmoving vehicles) for both OEM and RT customers;¹⁶
- (b) Bias industrial tyres (and within this category, they only overlap in the supply of tyres to CE vehicles) for both OEM and RT customers.¹⁷

¹² Case COMP/M.6063 – *Itochu / Speedy* (2011), paragraph 11; Case COMP/M.3081 – *Michelin / Viborg* (2003), paragraphs 8-12.

¹³ Case COMP/M.7643 – *CNRC / Pirelli* (2015), paragraphs 31-32; Case COMP/M.7864 – *Trelleborg / CGS Holding* (2016), paragraphs 29-30.

¹⁴ Case COMP/M.7643 – *CNRC / Pirelli* (2015), paragraph 34-36; Case COMP/M.7864 – *Trelleborg / CGS Holding* (2016), paragraphs 32-37.

¹⁵ Case COMP/M.6063 – *Itochu / Speedy* (2011), paragraphs 19-20; Case COMP/M.3081 – *Michelin / Viborg* (2003), paragraph 14.

¹⁶ Should the earthmoving market be further segmented based on the specific type of vehicle on which the tyres are fitted, the Parties' activities would only overlap in the supply of tyres for 'loaders'.

¹⁷ Should the CE market be further segmented based on the specific type of vehicle on which the tyres are fitted, the Parties' activities would overlap in the supply of tyres for 'backhoe', 'wheeled excavator', 'telehandler' and 'compact wheel loader'.

5.1.1. Radial industrial tyres

(21) Table 1 below shows the Parties' market shares in the supply of radial industrial tyres to **OEM** customers in the EEA.

Table 1: OEM industrial tyres radial (all segments) – market shares (2017) – EEA

2017	Michelin	Camso	Combined	Competitor 1	Competitor 2	Competitor 3
Industrial radial (all segments)	[30-40]%	[0-5]%	[30-40]%	Bridgestone [10-20]%	Goodyear [10-20]%	Yokohama [10-20]%
CE	[20-30]%	-	[20-30]%	<i>Only Michelin is active</i>		
Earthmoving vehicles	[30-40]%	[0-5]%	[30-40]%	Bridgestone [30-40]%	Goodyear [20-30]%	Trelleborg [0-5]%
Forklifts	[20-30]%	-	[20-30]%	<i>Only Michelin is active</i>		

Source: Form CO

- (22) In the earthmoving vehicles segment where the Parties are active, their combined market share is [30-40]% but the increment created by the Transaction is minimal as Camso has very limited sales in this segment (only [a limited number of] tyres sold to OEMs in 2017).¹⁸
- (23) The results of the market investigation support the view that Camso is largely perceived as a small player in the supply of radial tyres and is not seen as significant constraint on Michelin. Among the respondents to the Commission's questionnaire who source radial tyres from Michelin, none would likely switch to Camso if Michelin were to increase its prices or stop supplying the model. This view is shared by competitors who pointed to Goodyear, Bridgestone and Continental as Michelin's closest alternative for radial earthmoving tyres. Camso is seen as competing more closely with Mitas, Alliance and BKT. One competitor noted that on radial earthmoving vehicles "*Michelin and Camso product's offering varies in terms of price and quality*".¹⁹
- (24) When considering radial tyres for earthmoving vehicles for **RT** customers, the Transaction would give rise to 10 affected (national) markets. Table 2 below shows the Parties' market share in each of the affected markets.

¹⁸ The Parties' share in the supply of tyres for 'loaders' is in line with their share in the aggregated market for earthmoving vehicles.

¹⁹ Competitors' questionnaire, Q7.3.

Table 2: RT industrial tyres radial for earthmoving vehicles – affected sub-segments and shares (2017) – EEA Member States²⁰

EEA Countries (Radial for earth-moving vehicles)	Michelin	Camso	Combined	Competitor 1	Competitor 2	Competitor 3
Austria	[20-30]%	[0-5]%	[20-30]%	BKT [10-20]%	Bridgestone [10-20]%	Trelleborg [0-5]%
Belgium	[30-40]%	[0-5]%	[30-40]%	Bridgestone [20-30]%	BKT [5-10]%	Aeolus [5-10]%
Estonia	[20-30]%	[0-5]%	[20-30]%	Bridgestone [20-30]%	Trelleborg [10-20]%	Aeolus [5-10]%
France	[30-40]%	[0-5]%	[40-50]%	Bridgestone [10-20]%	Aeolus [10-20]%	Goodyear [10-20]%
Germany	[20-30]%	[0-5]%	[20-30]%	Bridgestone [10-20]%	Trelleborg [5-10]%	BKT [5-10]%
Italy	[30-40]%	[5-10]%	[40-50]%	Bridgestone [10-20]%	Trelleborg [0-5]%	Yokohama [0-5]%
Netherlands	[20-30]%	[0-5]%	[20-30]%	Bridgestone [10-20]%	Aeolus [10-20]%	Magna [10-20]%
Spain	[40-50]%	[0-5]%	[40-50]%	Bridgestone [20-30]%	Trelleborg [0-5]%	BKT [0-5]%
Sweden	[30-40]%	[0-5]%	[30-40]%	Bridgestone [20-30]%	Aeolus [5-10]%	Magna [0-5]%
UK	[10-20]%	[5-10]%	[20-30]%	Bridgestone [30-40]%	Yokohama [5-10]%	Aeolus [5-10]%

Source: Form CO

- (25) The increment created by the Transaction is limited (equal or less than [0-5]% in all countries with the exception of Italy). In any case, irrespective of their relative share at national level, as with OEM customers, the Parties are not seen as close competitors in the RT market as Michelin is a Tier 1 premium brand while Camso targets more price-sensitive customers.
- (26) In light of the above, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market with regard to the markets for the supply of radial tyres to OEM and RT customers.

²⁰ The Notifying Party submits that due to the lack of publicly available data it is difficult to estimate market shares at national level on a vehicle-specific basis. However, it submits that, to the best of its knowledge, the Parties' combined share for Loaders would not differ from the Parties' combined share in the aggregated earthmoving vehicle segment by more than 10%.

5.1.2. Bias industrial tyres

(27) Table 3 below shows the Parties' market shares in the supply of bias industrial tyres to **OEM** customers in the EEA.

Table 3: OEM industrial tyres bias (all segments) – market shares (2017) – EEA

2017	Michelin	Camso	Combined	Competitor 1	Competitor 2	Competitor 3
Industrial bias (all segments)	[10-20]%	[20-30]%	[30-40]%	Yokohama [10-20]%	Trelleborg [10-20]%	Continental [5-10]%
CE	[10-20]%	[30-40]%	[40-50]%	Yokohama [20-30]%	Trelleborg [10-20]%	Goodyear [5-10]%
Earthmoving vehicles	-	[0-5]%	[0-5]%	<i>Only Camso is active</i>		
Forklifts	-	[20-30]%	[20-30]%	<i>Only Camso is active</i>		

Source: Form CO

- (28) In the CE segment where both Parties are active, their combined share amounts to [40-50]% with an increment of [10-20]%.²¹
- (29) The Notifying Party submits that the Transaction does not raise any competition concerns as (i) the segment is fiercely competitive with many major players, such as Yokohama, Trelleborg and Goodyear for bias CE tyres, (ii) additional competitive pressure on the Parties is exerted by numerous producers located in Turkey, India and China, (iii) OEMs enjoy significant countervailing negotiating power vis-a-vis tyres suppliers, and (iv) the Parties do not compete closely since Michelin is a premium brand (Tier 1 player) while Camso is a mid-range brand (Tier 2 player).
- (30) The Notifying Party submits that Michelin has been mainly targeting [...].²² In the bias tyres' segment Michelin focuses mainly on tyres for vehicles [...].
- (31) The market investigation confirms that the Parties do not closely compete in any supply of bias tyres for CE vehicles or any segments within this vehicle category.²³
- (32) First, customers do not view the Parties as close competitors. Customers pointed to the Parties' different market positioning, with Michelin typically seen as a

²¹ The Parties' market shares in the vehicle-specific segments are as follows:

- Backhoe [50-60]-[60-70]% (Michelin 30-40% and Camso 20-30%); the Parties' main competitors include: Yokohama (20-30%), Trelleborg (10-20%), BKT (0-5%).
- Wheeled excavator 0-5% (Michelin 0-5% and Camso 0-5%); the Parties' main competitors include: Trelleborg (50-60%), Yokohama (20-30%), Goodyear (10-20%).
- Telehandler 50-60% (Michelin 20-30% and Camso 30-40%); the Parties' main competitors include: Yokohama ([20-30]-[30-40]%), Trelleborg ([10-20]-[20-30]%), BKT (5-10%).
- Compact wheel loader 0-5% (Michelin 0-5% and Camso 0-5%); the Parties' main competitors include: Trelleborg (50-60%), Yokohama (30-40%), BKT (20-30%).

²² The Commission notes that Michelin's market share is relatively smaller in the bias tyre markets than in radial tyre markets.

²³ The arguments below apply equally to the competition in the vehicle-specific segments.

premium supplier (Tier 1) while Camso is largely seen more as a non-premium / low-price supplier (Tier 2 or Tier 3).²⁴ One customer indicated that as a result of their different brand positioning "*Michelin and Camso target different markets and different customer groups*".²⁵ When asked about the next best alternative to each of the Parties, the majority of the customers indicated that if they were to switch away from Michelin, they would most likely buy tyres from players other than Camso. Likewise, the majority of the customers indicated that if they were to switch away from Camso, they would most likely buy tyres from players other than Michelin.

- (33) Second, like customers, competitors do not consider the Parties as close competitors. For bias tyres, Bridgestone and Continental are typically seen as Michelin's closest competitors whilst BKT, Alliance and Mitas are often mentioned as Camso's closest competitors. Similar to customers, competitors consider that the Parties have a different product offering and market positioning. For example, one competitor noted that "*Michelin products are perceived as premium, Tier 1 in the market offer: higher quality with better performance than Camso products. Michelin also offers additional services like field engineering, field support at end-users or dealers, service solutions (repair, tire management software, TPMS (Tire Pressure Monitoring System), etc.) and other digital solutions. Camso does not offer such services or at least not to the same extent.*"²⁶ Similarly, another competitor explained that there is a difference between the Parties in terms of "*price & quality...and also Brand name & market perception and Positioning*".²⁷
- (34) Third, further support to the argument that the Parties do not closely compete comes from a price comparison analysis (submitted by the Parties) which shows that, for a number of bias tyres that can be fitted on CE vehicles, Michelin's prices are [...] % higher than Camso's.
- (35) Fourth, the Commission notes that the Parties' have only two customers buying bias tyres in common. Neither of them expressed concerns about the competitive impact of the Transaction. One of them noted that while the Parties are important suppliers of bias tyres (especially for backhoe loaders) they "*differ in their market positioning*". The other customer said that it never switched from Michelin to Camso, nor vice versa, for any type of tyre and that it considers that the merger "*will not have a material impact on competition*" as the Parties have a complementary portfolio.
- (36) Finally, the Parties' internal documents suggest that they typically monitor different sets of competitors. Camso mostly monitors [...], but not Michelin. Michelin, instead, looks mostly at [...], but not Camso.
- (37) When considering bias tyres for CE vehicles for RT customers, the Transaction would give rise to 8 affected (national) markets. Table 4 below shows the Parties' market share in each of the affected markets.

²⁴ Competitors' questionnaire, Q5.1.

²⁵ Competitors' questionnaire, Q5.

²⁶ Competitors' questionnaire, Q7.3.

²⁷ Competitors' questionnaire, Q7.3.

Table 4: RT industrial tyres bias CE – affected sub-segments and shares (2017) – EEA Member States²⁸

EEA Countries (Bias CE)	Michelin	Camso	Combined	Competitor 1	Competitor 2	Competitor 3
Belgium	[0-5]%	[20-30]%	[20-30]%	BKT [20-30]%	Trelleborg [30-40]%	Maxam [10-20]%
France	[5-10]%	[10-20]%	[20-30]%	Trelleborg [20-30]%	Alliance [10-20]%	BKT [10-20]%
Ireland	[5-10]%	[10-20]%	[20-30]%	BKT [30-40]- [40-50]%	Trelleborg [10-20]%	Malhotra [5-10]%
Italy	[0-5]%	[20-30]%	[30-40]%	Trelleborg [10-20]- [20-30]%	Alliance [10-20]%	BKT [10-20]%
Latvia	[0-5]%	[20-30]%	[20-30]%	Bridgestone [10-20]%	Trelleborg [10-20]%	BKT [10-20]%
Lithuania	[0-5]%	[20-30]%	[20-30]%	Bridgestone [10-20]%	Trelleborg [10-20]%	BKT [10-20]%
Spain	[5-10]%	[10-20]%	[20-30]%	Alliance [20-30]%	BKT [10-20]%	Trelleborg [10-20]%
UK	[0-5]%	[20-30]%	[20-30]%	BKT [30-40]- [40-50]%	Trelleborg [10-20]%	Malhotra [5-10]%

Source: Form CO

- (38) The increment created by the Transaction is limited (less than [0-5]%) in most countries and the Parties' combined market share never exceeds [20-30]%. In any case, irrespective of the Parties' relative share at national level, as with OEM customers, the Parties are not close competitors in the RT market as Michelin is seen as a Tier 1 brand while Camso is perceived as a low-price non-premium brand. Moreover, the Parties have no customers in common, which further points to the lack of any immediate competition between them.
- (39) In light of the above, the Commission considers that the Transaction does not raise serious doubts as to its compatibility with the internal market with regard to the markets for the supply of bias tyres to OEM and RT customers.

²⁸ The Notifying Party submits that due to the lack of publicly available data it is difficult to estimate market shares at national level on a vehicle-specific basis. However, it submits that, to the best of its knowledge, the Parties' combined share in each of vehicle-specific segments (Backhoe, Wheeled excavator, Telehandler, Compact Wheel Loader) where their activities overlap would not differ from the Parties' combined share in the aggregated CE vehicle segment by more than 10%.

5.2. Vertical effects

- (40) To the extent that the distribution/wholesale supply of replacement tyres is considered a separate market from the direct supplies by manufacturers, the Transaction leads to a vertical relationship between the Parties as Michelin is active in the distribution of tyres, through its own integrated distributor (Euromaster).
- (41) The vertical link is pre-existent. In some markets, the Transaction increases the Parties' market share upstream (see Section 5.1) but it does not materially alter the Parties' upstream market power and therefore its ability to (input) foreclose downstream competitors. This is because the Transaction either only marginally increases the Parties' market share in the upstream market (in the supply of radial tyres, see Section 5.1.1) or does not strengthen their negotiating position as their products are not seen as close alternatives by customers (in the supply of bias tyres, see Section 5.1.2).
- (42) Nor is the Transaction likely to materially increase the risk of customer foreclosure effects as Euromaster's position in the distribution of industrial tyres is limited (it is active in 11 Member States and its market share remains well below 20% in each of them) and its position is not strengthened by the Transaction as Camso does not operate as a distributor of industrial tyres.
- (43) In light of the above, the Commission considers that the Transaction does not give rise to vertical foreclosure concerns.

5.3. Conglomerate effects

- (44) The Commission has considered whether the Parties, by combining their portfolio of industrial tyres, would have the ability and incentives to leverage a strong market position from one market to another by means of, for example, tying or bundling.
- (45) First, neither of the Parties alone or the two combined appear to have a significant degree of market power in any of the industrial tyre markets where they are active. The Parties' largest combined market share is in the supply of bias tyres for CE vehicles ([40-50]%). However, even in this market, the merger does not significantly strengthen the Parties' market power as they do not compete closely (see paragraphs (30) and (33)).
- (46) Second, a number of strong competitors such as, for example, BKT, Alliance, Trelleborg and Goodyear, are active across the entire range of industrial tyres (including radial and bias) and have a portfolio of products comparable to that of the merged entity post-Transaction. Some of these competitors (e.g. Trelleborg and BKT) also supply solid tyres as does Camso.
- (47) Finally, while some customers buy a wide range of tyres encompassing both radial and bias tyres for various vehicles categories, others are more specialised in some types of vehicles and only purchase a limited range of tyres. The demand of the latter would not be affected by bundling or tying strategies.
- (48) In view of the above, the Commission considers that the Transaction does not give rise to conglomerate effects.

6. CONCLUSION

- (49) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)

*Margrethe VESTAGER
Member of the Commission*